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**PUBLIC VERSION** 

August 16, 2017

#### **VIA ECFS**

Marlene Dortch, Secretary Office of the Secretary Federal Communications Commission 445 12th Street, S.W. Washington, DC 20554

Re: AT&T Corp. v. Iowa Network Services, Inc.

FCC Docket No. 17-56

Bureau ID No. EB-17-MD-001

Dear Ms. Dortch:

On behalf of Iowa Network Services, Inc. d/b/a Aureon Network Services ("Aureon"), transmitted herewith for filing is the **Public Version** of its Supplemental Responses to AT&T's Interrogatories issued in the above-referenced proceeding. Aureon is refiling its Supplemental Responses to include an officer certification, and to otherwise conform with the Commission's Rules governing interrogatory responses pursuant to Section 1.729(e) of the Commission's Rules, 47 C.F.R. § 1.729(e). The Commission's August 14, 2017 letter ruling reminded the parties that their responses to interrogatories should be answered separately and fully in writing under oath or affirmation.

On February 24, 2017, FCC staff entered a Protective Order covering confidential materials submitted in this case. Pursuant to the terms of the Protective Order, certain information has been designated by the parties as "Third Party Highly Confidential," "Highly Confidential," or "Confidential." As further detailed in the Protective Order, only four designated executives of Aureon and of AT&T are permitted to review Highly Confidential information. The executives are not permitted to review Third Party Highly Confidential. The public version of the foregoing documents redacts all confidential information as required by the Protective Order. A Highly Confidential redacted versions of the this submission is being filed contemporaneously with this submission with the Secretary's Office. No Third Party Highly Confidential or Confidential version of this filing will be filed as the Supplemental Responses only contain Highly Confidential information.

Should there be any questions with respect to this matter, please feel free to contact the undersigned

Respectfully submitted,

James U. Troup

Tony S. Lee

Counsel for Iowa Network Services, Inc. d/b/a Aureon Network Services

# Enclosures

Michael J. Hunseder, Counsel for AT&T cc:

James F. Bendernagel, Jr, Counsel for AT&T

Lisa Griffin, FCC

Anthony J. DeLaurentis, FCC

Adam Suppes, FCC Sandra Gray-Fields, FCC

Christopher Killion, FCC

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)
AT&T CORP.,	) ) ) Dealest No. 17.56
Complainant	) Docket No. 17-56 )
vs.	) Bureau ID No. EB-17-MD-001
IOWA NETWORK SERVICES, INC. DBA AUREON NETWORK SERVICES,	)
Defendant.	) ) )

# IOWA NETWORK SERVICES, INC. D/B/A AUREON NETWORK SERVICES' SUPPLEMENTAL RESPONSES TO COMPLAINANT'S FIRST & SECOND SETS OF INTERROGATORIES

Pursuant to Section 1.729(c)(1) of the Commission's Rules, 47 C.F.R. § 1.729(c)(1), Iowa Network Services, Inc. dba Aureon Network Services ("Aureon") hereby submits its Supplemental Responses to the interrogatories propounded by AT&T Corp. ("AT&T" or "Complainant").

# **GENERAL OBJECTIONS**

Although Aureon will specifically object to each particular proposed interrogatory and document production request as is appropriate, the following general objections are set forth to preserve applicable objections.

1. Aureon objects to each and every one of Complainant's "Instructions and Definitions" to the extent that Complainant purports to abrogate any of Aureon's rights or to add to any of Aureon's obligations under the Commission's Rules.

- 2. No response to the proposed interrogatories or document production requests shall be construed as an acknowledgment or admission that any information provided is relevant or admissible into evidence, all such objections being expressly reserved by Aureon.
- 3. Aureon objects to each and every one of the interrogatories to the extent Complainant seeks materials protected by applicable privileges, including but not limited to the attorney-client privilege and/or the work product doctrine (hereafter "privileges" or "privileged"). Any inadvertent disclosures of privileged information shall not constitute a waiver of such privilege(s).
- 4. Aureon objects to each and every one of the interrogatories to the extent that Complainant seeks information that is not relevant to the claims or defenses of any party (or such discovery is not reasonably calculated to lead to the discovery of admissible information). Aureon reserves the right to supplement these objections.

# **OBJECTIONS TO INTERROGATORIES**

ATT-INS 1: In its Tariff Filings, INS has reported changes in the percentage of call aggregation traffic transported on its network. In addition INS has produced worksheets (Aureon\_01934-38; \_02180-85; \_02394-99;\_02696-02708) reflecting [[BEGIN HIGHLY CONFIDENTIAL]]

[[END

HIGHLY CONFIDENTIAL]] Please confirm that these calculations are the back-up for the statements in INS's Tariff Filings concerning the percentage changes in call aggregation traffic, provide an explanation of the methodology underlying the two sets of calculations set forth on the worksheets, explain the differences between those calculations and identify which calculations were used in connection with the statements in INS's Tariff Filings, identify the LECs to which the call aggregation traffic was directed, and state the volume of call aggregation traffic directed to each identified LEC.

OBJECTION AND RESPONSE: Aureon incorporates its General Objections as if fully set forth herein. Notwithstanding the foregoing objections, Aureon states that it will respond to this interrogatory. Aureon confirms that the calculations are the back-up for the statements in Aureon's Tariff Filings concerning the percentage changes in call traffic. Aureon further states that the percentage changes in traffic volumes in the Description and Justification for each of Aureon's tariff filings are generated from Schedule DMD-4 worksheet accompanying each tariff filing in the Tariff Review Plans ("TRPs"). The information for the TRP interstate traffic volumes is derived from the minutes of use ("MOU") forecasts provided by Aureon using data contained on the worksheet labeled "Budgeted Centralized Equal Access Revenues."

With respect to the difference in MOUs referenced in the CEA MOU reports, the "Bob Sherlock, Martin's system" identified the traffic recorded by the switch on each of its trunks. However, not all of this traffic contained valid call detail necessary to bill the traffic to the appropriate carrier. As a result, Aureon used MOUs captured from its billing systems to generate MOUs for use with its cost allocations and CEA rate development. Aureon used the information from Sherlock's legacy system as a reasonableness test for the billed traffic and a way to measure

estimated bridge traffic. Estimated call aggregation traffic is not measureable out of the billing system. This additional traffic-estimating data is necessary to forecast regular vs. call aggregation MOUs and the utilization of historical trending of traffic patterns.

<u>SUPPLEMENTAL RESPONSE TO ATT-INS 1</u>: PDFs are being produced showing the total minutes of use for traffic routed to LECs suspected by Aureon of being involved with call aggregation between September 2013 and May 2017.

ATT-INS 2: Identify the entity or entities that INS has contracted with to provide either (a) the "High Volume Traffic Contract Tariff No.1" service referenced in INS's April 14, 2017 Tariff Filing (Transmittal No. 33) or (b) the "volume discount" service referenced in INS's May 16, 2017 Tariff Filing (Application No. 8 Transmittal No. 35); identify and produce all communications and correspondence concerning those services as well as all back-up material (including Excel Spreadsheets, in native format) that INS relied upon in making those filings; and explain how both the proposed rate for these services (\$0.00649 per minute) and the estimated fully distributed cost (\$0.00604 per minute) were developed.

OBJECTION AND RESPONSE: Aureon incorporates its General Objections as if fully set forth herein. Notwithstanding the foregoing objections, Aureon states that it will identify the entity or entities that it has contracted with to provide either (a) the "High Volume Traffic Contract Tariff No.1" service referenced in Aureon's April 14, 2017 Tariff Filing (Transmittal No. 33) or (b) the "volume discount" service referenced in Aureon's May 16, 2017 Tariff Filing (Application No. 8 Transmittal No. 35). Aureon further states that it will provide all relevant communications and correspondence concerning those services, as well as all backup materials that Aureon relied upon in making those filings.

SUPPLEMENTAL RESPONSE TO ATT-INS 2: PDFs are being produced of the agreement and first amendment with [[BEGIN HIGHLY CONFIDENTIAL] [[END] HIGHLY CONFIDENTIAL] for Aureon's contract tariff and tariffed volume discount plan.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Aureon does not have agreements with any other parties to implement the contract tariff or the tariffed volume discount plan.

ATT-INS 3: Confirm that INS has produced all agreements with LECs to which call aggregation (i.e., access stimulation) traffic was directed over the INS network during the period 2012 to the present, including but not limited to all agreements with [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]] To the extent that such material has not been produced, identify the withheld material and either state the basis for withholding that material or produce the withheld information.

OBJECTION AND RESPONSE: Aureon incorporates its General Objections as if fully set forth herein. Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome, and requests information that is irrelevant. Aureon does not know the identity of all the LECs to which call aggregation traffic was directed over the CEA network during the period 2012 to the present. Notwithstanding the foregoing objections, to the extent such material has not been produced, Aureon states that it will produce any additional agreements that it has with the seven LECs identified by AT&T in its November 8, 2016 informal document requests, *i.e.*, Great Lakes Communication Corp., BTC, Inc. (d/b/a Western Iowa Networks), Premier Communications, Omnitel Communications, Inc. and/or FMTC Communications, Goldfield Tel. Co. and/or Goldfield Access Network, Interstate 35 Tel. Co. and/or Interstate Cablevision Co., and Louisa Communications.

**SUPPLEMENTAL RESPONSE TO ATT-INS 3:** PDFs are being produced of agreements with Reasnor Telephone Company ("Reasnor").

<u>ATT-INS-4</u>: State whether INS has had any dealings or other relationships with any entity that provides chat or conference call services or that is otherwise engaged in access stimulation, and for each such entity, state the nature of the relationship and identify and produce any communications, correspondence or other documentation relating to that relationship, including any agreements with any such entities.

OBJECTION AND RESPONSE: Aureon incorporates its General Objections as if fully set forth herein. Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome, and requests information that is irrelevant. The terms "dealings" and "relationships" are vague and overbroad, and does not provide sufficient specificity for Aureon to determine whether a contact with a particular entity constitutes a "dealing" or "relationship" for purposes of this interrogatory. Furthermore, Aureon does not know the identities of all entities that are engaged in access stimulation. The existence of an access revenue sharing agreement is an essential element of access stimulation, as defined by the Commission's rules. Aureon is not a party to any access revenue sharing agreement, and lacks knowledge of all entities that are parties to such agreements. Notwithstanding the foregoing objections, Aureon states that the company has neither been nor is it currently a party to any agreements, whether written, oral, or otherwise, with any entities involved in access stimulation with the intent of sharing revenues, expenses, or profits related to such activities.

ATT- INS-5: Confirm that all backup materials (including Excel Spreadsheets, in native format) that INS relied upon for the Tariff Filings it made to the FCC on or about June 16, 2010; June 26, 2012; June 17, 2013; June 14, 2014; and June 16, 2016 have been produced. To the extent that such material has not been produced, identify the withheld material and either state the basis for withholding that material or produce the withheld information.

OBJECTION AND RESPONSE: Aureon incorporates its General Objections as if fully set forth herein. Notwithstanding the foregoing objections, Aureon states that the information provided in PDF format earlier to AT&T are the only materials relied upon when producing the identified tariff filings submitted on behalf of Aureon. For each year requested, Aureon has provided the capital budget for projected changes in plant balances, the five-year operating budget for projected test period revenue and expense amounts, CEA and State MOU historical and forecasted data for development of jurisdictional traffic ratios and output reports including cost allocations between divisions (Part 64), Access Division cost allocations between jurisdictions (Part 36), and Access Division interstate cost allocations by access element (Part 69). These are the schedules relied upon by Aureon management and its consultants to support the CEA rate calculations in each of its interstate rate filings. Previously provided materials in PDF format will be produced in native format.

<u>SUPPLEMENTAL RESPONSE TO ATT-INS 5</u>: Native Excel files are being produced of the backup materials for Aureon's tariff materials previously produced in PDF format in response to this interrogatory.

ATT-INS-6: In the Tariff Filings identified in Interrogatory #5, the supporting material purports to show a division of "Total Company" costs between the "Access Division" and "All Other". See Section 5, Part 64 Separations, Schedules S-1, S-2 and S-8. Identify by name each division or affiliate of INS included within "All Other" especially as it relates to the following accounts: 2210 (Central Office Switching Equipment), 2230 (Central Office Transmission Equipment), 2410 (Cable & Wire Facilities), 3100 (Accumulated Depreciation), 4100 (Net Current Deferred Operating Income Taxes), 6110 (Network Support Expenses), 6120 (General Support Expenses), 6210 (Central Office Switching Expenses), 6410 (Cable & Wire Facilities Expenses), 6510 (Other Property, Plant and Equipment Expenses), 6530 (Network Operations Expense), 6720 (General and Administrative), 6561 (Depreciation Expense – Plant in Service) and 7240 (Other Operating Taxes), and confirm that all documents supporting the calculation and allocation of costs on these Schedules have been produced. To the extent that such material has not been produced, identify the withheld material and either state the basis for withholding that material or produce the withheld information.

**OBJECTION AND RESPONSE:** Aureon incorporates its General Objections as if fully set forth herein. Notwithstanding the foregoing objections, Aureon states that the divisions included with the "All Other" category are as follows: the Parent, the Network, and the Products Divisions. Aureon further states that, as set forth in Aureon's response to Interrogatory ATT-INS-5, Aureon will provide native copies of the output cost allocation reports with formulas intact supporting the calculation and allocation of Aureon's costs requested by AT&T, which include Accounts 2210, 2230, 2410, 3100, 4100, 6110, 6120, 6210, 6410, 6510, 6530, 6720, 6561, and 7240 between divisions (Part 64) and by jurisdiction (Part 36) and access element (Part 69) for the Access Division.

ATT-INS 7: With respect to account 6410 (Cable & Wire Facilities Expenses), confirm that this account includes the lease costs that INS's Network Division charges to INS's Access Division, identify any other costs that are included in this account, explain the methodology pursuant to which the total lease cost charged by INS's Network Division is calculated, state whether during the period 2010 to 2017 that methodology changed (and, if so, explain the changes), and identify and provide copies of any documents relating to the calculation and allocation of the lease costs included in account 2410.

OBJECTION AND RESPONSE: Aureon incorporates its General Objections as if fully set forth herein. Notwithstanding the foregoing objections, Aureon states that Account 6410 (Cable & Wire Facilities ("CWF") Expenses) includes the lease costs that Aureon's Network Division charges to the Access Division. Aureon further states that lease costs are directly assigned to the division to which it is charged. All non-lease expenses in Account 6410 are assigned to undistributed costs and allocated on the basis of CWF investment in Account 2410. Since all CWF investment in Account 2410 is assigned to the Network Division, all Account 6410 undistributed expenses are thereby assigned to the Network Division. Network lease costs are periodically tested for reasonableness based on an analysis of costs derived from the Network Division.

**SUPPLEMENTAL RESPONSE TO ATT-INS 7:** Native Excel files are being produced in response to AT&T Int. No. 12 of the data used to derive the information set forth in Table 1 of Jeff Schill's declaration. PDFs showing additional reasonableness test information based on fair market value, which was recently calculated by Aureon's outside accounting consultants, is also being produced.

Exhibit 1, attached hereto, provides a detailed explanation regarding the methodology used to determine the lease rate charged by Aureon's IXC Division to the Access Division, and the reasonableness testing methodology used in the spreadsheets produced in response to AT&T Int. Nos. 7 and 12.

ATT-INS 8: In the Tariff Filings identified in Interrogatory #5, the supporting material purports to show a division of costs between "IntraLata", "InterLATA" and "Other". See Section 4, Part 36 Separations, Schedules S-1, S-2 and S-8. Explain what the "Other" category includes and confirm that all documents have been produced that support the attribution of amounts reported as associated with "InterLATA" versus "Other" for the following accounts: 2210 (Central Office Switching Equipment), 3100 (Accumulated Depreciation), 6120 (General Support Expenses), 6210 (Central Office Switching Expenses), 6410 (Cable & Wire Facilities Expenses), 6510 (Other Property, Plant and Equipment Expenses), 6530 (Network Operations Expense), 6720 (General and Administrative) and 6560 (Depreciation and Amortization Expenses). To the extent that such material has not been produced, identify the withheld material and either state the basis for withholding that material or produce the withheld information.

OBJECTION AND RESPONSE: Aureon incorporates its General Objections as if fully set forth herein. Notwithstanding the foregoing objections, Aureon states that within Section 4, Part 36 Separations, Schedules S-1, S-2, and S-8, the "Other" column reflects the allocation of Access Division investments, reserves, revenues, and expenses related to (1) the provision of intrastate CEA service; (2) service provided to commercial mobile radio service ("CMRS") providers for intraMTA traffic, and (3) service provided to non-nomadic VoIP providers related to their provision of competitive local exchange service. Investments and reserves allocated to the Other category are based on a ratio of MOU presented in the traffic factor development worksheets provided in the cost support material. Revenues are directly assigned to the Other category, and operating expenses and taxes are allocated on the basis of the attribution associated with the expense being allocated. For example, plant expenses are allocated on the basis of the corresponding plant account, whereas business office expenses are allocated on the basis of billed revenues. The basis for allocation of each account is referenced in the cost allocation schedules (S-1 through S-12) in the cost support material that Aureon will provide to AT&T.

ATT-INS 9: In its 2008 Tariff Filing, INS noted that "[t]he higher than normal increase in interstate traffic for the projected test period results primarily from more accurately classifying the jurisdiction of both call aggregation traffic and the Percent Interstate Use ("PIU") adjustments during the year 2008 based on new traffic recording equipment and the procedures implemented by INAD." INS also indicated that "[f]or the test period ended June 30, 2009, INAD projects 1.6 billion terminating conference call minutes generated by call aggregators of which 78% is projected to represent interstate calling versus 48% in 2007." State the specific reasons that INS was able to "more accurately" classify in 2008 "the jurisdiction of both call aggregation traffic" and the PIU adjustments and explain the basis of INS's estimate that 78% of the projected access stimulation traffic would be interstate. Also state whether further changes have been made in INS's procedures for estimating the PIU adjustments and identify, for each year since 2008, the percentage of call aggregation traffic that was estimated to be interstate as opposed to intrastate traffic.

**OBJECTION AND RESPONSE**: Aureon incorporates its General Objections as if fully set forth herein. Notwithstanding the foregoing objections, Aureon states that the intrastate and interstate traffic allocations are simply a function of the traffic on the network, and modeling in the cost studies. The change in PIU factor was due to upgrades in Aureon's equipment to better track the jurisdiction of the calls on the CEA network as was noted in the 2008 Tariff Filing. In 2007, Aureon upgraded its CEA switches, which enabled Aureon's billing system to process and download call records directly from the switch, rather than from a legacy third-party system that had been in place for years. Around that same timeframe, Aureon implemented a new billing system that converted the jurisdiction calculation from using JIPs (jurisdiction information parameters) and location routing numbers (LRNs) to originating and terminating numbers. This change resulted in more accurate identification of interstate calls because while most Iowa LECs included JIP and/or LRN information with their call data, traffic from other carriers did not include that information. Before the upgrade, the identification of intrastate traffic was considerably more accurate than the identification of interstate traffic. Since the jurisdiction of "unknown traffic" was proportioned based on the traffic of "known" traffic, improving the identification of interstate traffic not only increased the number of calls that could be identified by call records, it also altered

the PIU that was applied to unknown traffic. Aureon's interstate PIU factors used for its tariff filings are based on the best available information that it has regarding the traffic on the CEA network, and Aureon's CEA interstate tariff rate takes that information into account.

It is important to note that the reference to the interstate percentage increasing from 48% to 78% on call aggregation in Aureon's 2008 TRP filing – Description and Justification, appears to be a typographical error in the tariff filing narrative.<sup>2</sup> The 78% figure is for ALL traffic – call aggregation and regular traffic – based on estimates after the new PIU usage factors were implemented.

<sup>&</sup>lt;sup>2</sup> INAD Tariff F.C.C. No. 1, July 1, 2008 Annual Access Charge Tariff Filing, Description and Justification at 3-4, June 24, 2008.

ATT-INS 10: For each year since 2011, identify the number of DS-3 circuits that INS has provided and for each such circuit provide the name of the LEC or other carrier to which the circuit was provided, the length of haul and the rate charged including all rate components both recurring and non-recurring. Further, for each LEC to which call aggregation (i.e., access stimulation) traffic was directed over the INS network during the period 2012 to the present, state whether any of those LECs purchased DS-3 circuits from INS during that period and, if so, identify each such LEC and provide (by year for each such LEC) the volume of traffic routed over those DS-3 circuits and the revenue derived by INS from that traffic.

OBJECTION AND RESPONSE: Aureon incorporates its General Objections as if fully set forth herein. Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome, requests information that is irrelevant, and requests information that is beyond the statute of limitations, which with respect to AT&T's claims, is August 2012. Aureon does not know the identity of all the LECs to which access stimulation traffic was directed over the CEA network during the period 2012 to the present. The existence of an access revenue sharing agreement is an essential element of access stimulation, as defined by the Commission's rules. Aureon is not a party to any access revenue sharing agreement, and lacks knowledge of all entities that are parties to such agreements. Notwithstanding the foregoing objections, Aureon states that it will produce information regarding DS-3 circuits it has with the seven LECs identified by AT&T in its November 8, 2016 informal document requests, *i.e.*, Great Lakes Communication Corp., BTC, Inc. (d/b/a Western Iowa Networks), Premier Communications, Omnitel Communications, Inc. and/or FMTC Communications, Goldfield Tel. Co. and/or Goldfield Access Network, Interstate 35 Tel. Co. and/or Interstate Cablevision Co., and Louisa Communications.

<u>SUPPLEMENTAL RESPONSE TO ATT-INS 10</u>: PDFs are being produced showing the DS3 circuits that Aureon has leased to the Seven LECs previously identified by AT&T as being involved with call aggregation traffic.<sup>3</sup>

<sup>&</sup>lt;sup>3</sup> The Seven LECs are as follows: Great Lakes Communication Corp., BTC, Inc. (d/b/a Western Iowa Networks), Premier Communications, Omnitel Communications, Inc. and/or FMTC Communications, Goldfield Tel. Co. and/or Goldfield Access Network, Interstate 35 Tel. Co. and/or Interstate Cablevision Co., and Louisa Communications.

ATT-INS 11: In its Legal Analysis, INS asserts that that "AT&T's actions have resulted in significant increased costs to smaller competing interexchange carriers ("IXCs"), and threatens the entire competitive long distance market for rural Iowa." See INS Legal Analysis at 2. Please identify the names of each of the "smaller competing interexchange carriers" referenced in this sentence and produce all documents quantifying or otherwise discussing the "significant increased costs" that allegedly have resulted from AT&T's conduct. In addition, in light of the Commission's determination that stand-alone long distance has long been a fringe market, see, e.g., In re USTelecom Petition for Forbearance, 31 F.C.C. Rcd. 6157, ¶ 49 (2015), please explain in detail how AT&T's conduct "threatens the entire competitive long distance market for rural Iowa" and produce all documents either supporting or discussing that issue, including whether there exists a separate product market for long distance service in rural Iowa and, if so, please produce any market analysis of long distance competition in rural Iowa. Further, for the period September 2013 to May 2017, please provide by month the total minutes of use that INS transported for Verizon, CenturyLink, Sprint, Frontier and any other IXC that You do not consider to be a "smaller competing interexchange carrier."

**OBJECTION AND RESPONSE:** Aureon incorporates its General Objections as if fully set forth herein. Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome, and requests information that is irrelevant. There are an enormous number of documents, including all comments, replies, and other documents filed with, and orders issued by, the FCC regarding the competitive long distance market. Furthermore, the identities of the smaller competing IXCs include all IXCs other than AT&T because AT&T's share of the interstate terminating CEA traffic volume over Aureon's network comprised almost 75% of all CEA traffic over the last year. See Declaration of Frank Hilton, ¶ 14, Attached to Aureon's Answer as Ex. B. Given that the interstate terminating CEA traffic volume of all carriers other than AT&T comprised approximately 25% of the total CEA traffic volume over the last year, the other IXCs that use Aureon's CEA service are "smaller competing interexchange carriers" in comparison to AT&T. Furthermore, it is axiomatic that AT&T's conduct has caused significant increased costs for other IXCs because the failure of AT&T to pay Aureon's bills results in lower revenues to Aureon. Aureon still has to meet its revenue requirement in order to maintain operations, and all the other IXCs pay more in order to make up for AT&T's failure to pay the CEA tariff rate, and to

enable Aureon to meet its revenue requirement. Aureon further objects to this interrogatory because the USTelecom proceeding, which requested forbearance from enforcement of ILEC legacy regulations, is irrelevant to CEA service because Aureon is not an ILEC. As for the long distance competition that has been fostered by CEA service, there are seventeen IXCs that rely upon CEA service to compete for terminating calls to rural Iowa, and there are fifteen IXCs that depend upon CEA service to originate calls from rural Iowa. F. Hilton Decl. ¶ 3. Aureon further objects to this interrogatory because the total minutes of use Aureon transported for other carriers is irrelevant as this case is about AT&T's use of CEA service and its failure to pay the tariff rates. Notwithstanding the foregoing objections, Aureon states that for the period September 2013 to May 2017, Aureon will provide on an aggregated basis the total minutes of use by month for traffic that Aureon transported for carriers other than AT&T.

**SUPPLEMENTAL RESPONSE TO ATT-INS 11:** PDFs are being produced showing the monthly traffic volume data by carrier for the 17 IXCs that use CEA service for terminating traffic

<u>ATT-INS 12</u>: With respect to Table 1 to Mr. Schill's declaration, please identify the source of the data set forth in each column on Table 1 and either identify where in INS's production that information can be located (i.e., the applicable bates ranges) or produce copies of the documents setting forth this information.

**OBJECTION AND RESPONSE:** Aureon incorporates its General Objections as if fully set forth herein. Notwithstanding the foregoing objections, Aureon states that it will produce spreadsheets setting forth the data in each column on Table 1.

**SUPPLEMENTAL RESPONSE TO ATT-INS 12:** Native Excel files are being produced of the data used to derive the data set forth in Table 1 of Jeff Schill's declaration.

ATT-INS 13: On page 12 of Mr. Schill's declaration he states: "Network lease costs are periodically tested for reasonableness based on an analysis of costs derived from the IXC Division." Please describe that testing, and produce all documents reflecting or otherwise discussing the results of that testing.

OBJECTION AND RESPONSE: Aureon incorporates its General Objections as if fully set forth herein. Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome. Notwithstanding the foregoing objections, Aureon states that the reasonableness testing information is set forth in Table 1 to Mr. Schill's declaration. Aureon further states that the documents that will be produced in response to AT&T Interrogatory No. 13 will provide further details regarding the data used to support the reasonableness testing results in Table 1.

<u>SUPPLEMENTAL RESPONSE TO ATT-INS 13</u>: Exhibit 1, attached hereto, provides a detailed explanation regarding the methodology used to determine the lease rate charged by Aureon's IXC Division to the Access Division, and the reasonableness testing methodology used in the spreadsheets produced in response to AT&T Int. Nos. 7 and 12.

ATT-INS-14: In response to AT&T's Interrogatory Nos. 3 and 10, You indicate that INS "does not know the identity of all LECs to which call aggregation traffic was directed over the CEA network during the period 2012" and You then indicate that you will produce the requested documents for the seven access stimulating CLECs identified by AT&T in its November 8, 2016 informal discovery requests. Please confirm that these seven CLECs are the only CLECs that, to your knowledge, are involved in access stimulation. In addition, please confirm that these seven CLECs are the only LECs to which traffic designated as call aggregation traffic on the INS worksheets identified in AT&T Interrogatory No. 1 (i.e. Aureon\_01934-38, 02180-85, 02394-98 and 02696-708) was routed. To the extent that is not the case, please identify the names of the additional LECs to which call aggregation traffic was directed and produce the documents referenced in Interrogatories Nos. 3 and 10 for those additional LECs.

**OBJECTION AND RESPONSE:** Aureon incorporates its General Objections as if fully set forth herein. Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome. Local exchange carriers ("LECs") are required to file lower access tariff rates if two conditions are met: (1) the LEC has a revenue sharing agreement and (2) the LEC either has (a) a three-to-one ratio of terminating-to-originating traffic in any month or (b) experiences more than a 100 percent increase in traffic volume in any month measured against the same month during the previous year. Connect America Fund, et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd. 17663 ¶ 33 (2011). As previously stated, Aureon does not know the identities of all entities that are engaged in access stimulation. The existence of an access revenue sharing agreement is an essential element of access stimulation, as defined by the Commission's rules. Aureon is not a party to any access revenue sharing agreement, and lacks knowledge of all entities that are parties to such agreements. Aureon does not know if the seven LECs identified by AT&T have access revenue sharing agreements, and only assumes that those LECs are involved in access stimulation based on AT&T's representations. Aureon further states that with regard to the traffic designated as call aggregation traffic on the Aureon worksheets identified in AT&T Interrogatory No. 1, the columns on those worksheets are used to estimate future call aggregation traffic based on historical changes in traffic patterns apparently attributable to conference bridge

traffic. Aureon does not have any revenue sharing agreements with any LECs. Aureon's engineering department is able to identify significant spikes in traffic patterns and utilization of specific trunk groups, and those spikes are assumed to be conference bridge related traffic. Aureon separates "traditional" traffic from what Aureon has identified as suspected conference bridge traffic as a means to track increases or declines in both types of traffic. Aureon's spreadsheets are an internal tool utilized to support Aureon's budgeting and forecasting requirements, and are also used as a predictive model for future minutes-of-use that are utilized in Aureon's cost studies. Aureon has no control over any type of traffic delivered to the CEA network, and does not "direct" traffic to any LEC. Rather, Aureon merely delivers traffic to LECs based on the called party information passed on by the IXCs.

<u>SUPPLEMENTAL RESPONSE TO ATT-INS 14</u>: Reasnor is a LEC that Aureon suspects is engaged in call traffic aggregation activities. Accordingly, Aureon is producing PDFs of the agreements it has with Reasnor in response to AT&T Int. No. 3, and additional agreements that have been discovered.

ATT-INS-15: In response to AT&T Interrogatory No. 6, You identify the INS divisions that are included in the "All Other" category as "the Parent, the Network and the Products Division." Further, in response to AT&T Interrogatory No. 7, You state that Account 6410 "includes the lease costs that Aureon's Network Division charges to the Access Division." In Your answering submission, however, INS'S IXC Division is identified as leasing capacity to the Access Division. Please clarify which INS division leases capacity to the Access Division. To the extent that the Network Division is the same as the IXC Division, does the Network/IXC Division lease transport capacity to third parties? If so, please identify those services and state whether the rates for any of those services are based on fully distributed costs as that term is used by Mr. Schill in his declaration. See Schill Decl. ¶¶ 5, 20. If so, please identify each such service.

**OBJECTION AND RESPONSE**: Aureon incorporates its General Objections as if fully set forth herein. Aureon further objects to this interrogatory because it is irrelevant to this case. The lease of transport capacity by the IXC Division to third parties is irrelevant to the provision of CEA service by the Access Division because the provision of limited, point-to-point transport services is not comparable to the lease of capacity to the Access Division, which provides access to the IXC Division's entire fiber network. The CEA rate required to make a comprehensive more than 2,700 mile rural network of common trunks available to all IXCs on a non-discriminatory basis cannot be rationally compared to a single lease for transport between only two geographic points, or to the limited service provided for land-to-mobile traffic or the point-to-point transport provided by third parties without all the CEA functions. *See* Declaration of Jeff Schill, ¶ 18, Attached to Aureon's Answer as Ex. A. Notwithstanding the foregoing objections, Aureon states that the Network Division is the same as the IXC Division, and the names are used interchangeably.

Respectfully submitted,

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Dated: August 16, 2017

# EXHIBIT 1

# **SUPPLEMENTAL RESPONSE TO ATT-INS 7 & 13**

THIS ENTIRE EXHIBIT HAS BEEN DESIGNATED AS
HIGHLY CONFIDENTIAL AND HAS BEEN REMOVED FROM
THE PUBLIC VERSION OF THIS FILING.

# **CERTIFICATION**

I, Jeff Schill, Senior Vice President of Corporate Finance for Iowa Network Services, Inc. d/b/a Aureon Network Services, hereby certify that I have read the foregoing supplemental responses to AT&T's First and Second Sets of Interrogatories, and the responses therein are truthful and correct to the best of my knowledge, information, and belief.

Jeff Schill

# **CERTIFICATE OF SERVICE**

I, Tony S. Lee, do hereby certify that on this 16th day of August, 2017, copies of the foregoing Supplemental Responses of Iowa Network Services, Inc. d/b/a Aureon Network Services were sent to the following:

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